



OFFICE OF THE GOVERNOR

SEP 30 2026

To the Members of the California State Assembly:

I am signing Assembly Bill 1776, which would, among other provisions, make it unlawful for a person or firm to engage in anti-competitive behavior to monopolize or monopsonize any part of trade or commerce, or attempt to do so.

California boasts the fourth-largest economy in the world and is a global powerhouse for innovation and industry. I applaud the author for bringing forward this legislation, understanding that competition drives innovation, lowers prices, raises wages, and expands opportunity for consumers, workers, and small businesses. While I align myself with the stated goal of targeting anti-competitive conduct that harms consumers, workers, and businesses alike, we must be careful not to set the bar too low — dragging legitimate, superior business practices and products into the ambit of anti-competitive behavior. For example, the bill's reference to “substantial market power” should be understood as a necessary — but not sufficient — condition to prove unlawful conduct.

I sign this bill with the expectation that the Attorney General, district attorneys, and judges will interpret and apply it in ways that penalize clear wrongdoing, without creating needless uncertainty that risks harming legitimate businesses. Courts will necessarily grapple with the terms established in this bill, and additional legislation may be required to clarify the appropriate standards.

Sincerely,

Gavin Newsom